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U. S. Department of Agriculture
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AGRICULTURAL SITUATION REVIEW

ANNOUNCEMENT: Today we give our audience the review of that important monthly report of the United States Department of Agriculture--THE AGRICULTURAL SITUATION. The October SITUATION statement summarizes for us important business factors in various lines of farming-- conditions throughout the country during September, and the situation as we enter the new month.

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October is the big harvest month. Soon the crop story of the year will be told. From present indications, it looks as if our principal cash crops will be bigger this year than last. That is true of cotton. It is true of wheat. It is true of fruit. And the potato crop may be the biggest in several years.

The prospect is also for more corn and oats and about as much hay as usual. That means plenty of feed. Dairymen, cattlemen, hog and sheep raisers can keep on smiling. They are all in relatively good shape, and the feed situation puts them in still better shape for the coming year.

Of course, a lot of consumers are disturbed about the prices of meat; particularly beef and veal. This year has been a fat one for the cattlemen. But they came through some lean ones to get to it.

For six years, beginning in 1920, the cattle industry was flat on its back. Western cattlemen were going bankrupt on all sides. Their stock was almost without market value. It is doubtful if this country ever witnessed a more acute case of distress than that depression in cattle.

Slowly and painfully, the cattle industry liquidated its surplus, cut down its breeding herds, and recovered from its financial wounds. Consumers were warned that the outcome would surely be a period of cattle scarcity and high prices. Now we are up against that period. It is all largely a matter of supply and demand.

At present, there is no prospect of any material decrease in the demand for beef. And the supply of beef can't increase much until cattlemen keep more breeding stock on their farms and ranches. As yet, there is little evidence that that is being done. Most cattlemen seem to be taking advantage of present prices. They are selling their cattle for slaughter and feeding rather than holding them to build up their herds. When cattlemen get adjusted to the prices they are now getting, they may begin to expand.

But while they are expanding the number of people in the country will also be growing. It is not likely to be so easy to increase the nation's beef supply as it once was. For these reasons, a serious decline in general cattle

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prices seems pretty far in the future. There will, of course, be the usual seasonal fluctuations in response to season changes in supply.

Turning away from this rosy outlook for the cattlemen, we see a less entrancing picture of the potato growers' situation. The supply of potatoes may be larger than ever before.

However, the population is also bigger than ever before. On the basis of population, our prospective potato crop is no bigger than a number of others. It rates along with some which have had sharp price advances at times during the market season. Keeping quality, weather, the length of the season, early southern competition, and the activity of demand by consumers all may have a bearing on the outcome. Growers who can not sell, and who find their potatoes hardly worth shipping may still find favorable market openings during some part of the season. Such up-turns sometimes occur even in times of heavy production.

Compared with white potatoes, the market prospects of the sweet potato crop are evidently favorably. There have been decreases in sweet potato production chiefly in the southern States growing the soft varieties.

The onion crop seems to be about one-third less this year than last. Some of the leading onion States have only about one-half last year's production. Besides that, much of the onion crop has been running to small sizes and inferior grades. Imports of Spanish onions have been heavy so far this fall.

The total apple crop this year is expected to be about one-third bigger than last year. The shipping season started rather late. Supplies of car-lot stocks have been moderate in the cities, but many of the markets have been liberally supplied with local apples.

Pear prices have held up well, but grapes have been selling lower, as might be expected on account of the increased production East and West.

The dairy markets have been somewhat unsettled since the first of last month. In the middle of the month in many important dairy sections, butter production was running as much as 12 per cent more than during the same period of September last year. However, during the next 30 days the fall tendency of dairy markets should be more clearly defined than at present. The peak of storage holdings has nearly always been reached on September 1 and slight reductions have already taken place in most storage centers. A month from now more will also be known regarding the probability of butter imports. However, if prices follow the usual tendencies at this time of the year, we can look for some slight advances in butter prices.

There has been little change in the egg market situation.

During the past month, the market for wheat and rye has been weak. But the market for corn, oats, barley and flax has been fairly steady. Dry weather in Nebraska, and South Dakota, and storm damage in the Middle Atlantic States from New Jersey to Virginia caused a reduction in the official estimate

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of the 1928 corn crop as of the first of September compared with the first of August.

There was also a decrease indicated for Ohio and Indiana. In other important producing States prospects were improved. The upshot of the conditions is that, if present prospects are realized, the 1928 corn crop will be about 6 per cent above last year's harvest. But the distribution of the crop is very different from last season. This year there is an indicated increase of about 35 per cent in the eastern Corn Belt States where the crop was short last season. No frost damage except locally occurred to the middle of September in the principal corn producing States, and much of the crop was out of frost danger.

With the heavy seasonal movement of winter wheat apparently over, more attention is being centered on spring wheat. There was evidently a better outturn of spring wheat in North Dakota, Wisconsin, and Idaho than was expected earlier in the season. In the four principal spring wheat producing States there will be a big increase in durum wheat over last year. This year's crop is the biggest durum harvest since 1922.

The three prairie provinces of Canada have the biggest spring wheat crop on record.

The principal European countries have also completed wheat harvesting with a crop about 5 per cent bigger than last year.

The total wheat crop in the Northern Hemisphere is forecast at about 180,000,000 bushels above last season. No estimate of production in the Southern Hemisphere is yet available, but the crop in the Southern Hemisphere will be an important factor in the world's wheat market later in the season. Stocks of old crop wheat are materially smaller in the Southern Hemisphere this season than last, however, both Australia and the Argentine having much less remaining for export.

